



CITY OF OCEANSIDE

WATER UTILITIES DEPARTMENT

October 9, 2013

Keith Wallace, Project Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
PO Box 942836
Sacramento, CA 94236

VIA EMAIL: keith.wallace@water.ca.gov

Re: Draft Funding Recommendations for the Proposition 84 Round 2 Implementation Grant Program

Dear Mr. Wallace,

I am writing to voice strong objections to the Department of Water Resources (DWR) draft funding recommendations for the Proposition 84 Round 2 Implementation Grant Program. On behalf of the City of Oceanside Water Utilities Department and the North San Diego Water Reuse Coalition, I believe the following issues need to be brought to DWR's attention:

The San Diego grant proposal includes a detailed and thoughtful analysis of the benefits that would accrue to the region, and merits a higher score from DWR's evaluation committee, as well as full funding.

- San Diego has reviewed the Department of Water Resources' (DWR's) Proposal Evaluation and disagrees with a majority of DWR statements that find fault with San Diego's proposal.
- San Diego has prepared a formal response to DWR's Proposal Evaluation, detailing point-by-point rebuttals of each of DWR's statements of underperformance.
- San Diego's grant proposal is 615 pages long, along with hundreds of additional pages of backup documentation (planning, design, and environmental documents for each project), providing all the key information required by DWR.
- The level of detail provided in San Diego's Round 2 grant proposal is in line with previous grant rounds that received high ratings from DWR in the past.

- DWR's proposal evaluation makes too many subjective remarks to be considered reasonable. Comments such as "this project's costs seem too high" do not add to an objective evaluation.

San Diego's Project Selection Process is Rigorous and Competitive in Identifying the Region's High Priority Projects – The Maximum Allocation should be granted

I was personally involved in the selection process, as part of the review team for San Diego's projects, and I can attest to the rigorous, thoughtful process used by the selection committee.

- A total of 36 projects were submitted and considered for the Region's grant proposal.
- The entire list of projects submitted to our online project database was evaluated by a RAC-nominated Project Selection Workgroup.
- The Project Selection Workgroup met five times in November 2012 to review the details of the submitted projects and identify a package of projects to be submitted for Proposition 84 Round 2 funding.
- Unlike some other regions, the **San Diego IRWM Program coordinated with neighboring regions** to ensure that our collective proposals did not exceed the maximum funding allocation stated in DWR's Proposal Solicitation Package (PSP).
- **DWR has recommended that some funding areas receive up to 200% of their maximum funding allocations, to the detriment of regions like ours, which is contrary to what is stated in DWR's PSP.**
- All 7 of the proposed projects in San Diego's proposal were asked to reduce their funding requests and are essentially bare-bones proposals. Any reductions in grant funding will result in the **elimination of viable, ready-to-go, high priority projects in the San Diego region.**
- A reduction in San Diego's grant funding will mean that high priority projects will either be shelved or terminated all together. This is not in the best interest of the region, or the state as a whole.

DWR's Grant Award Process is Counterproductive to IRWM Ideals – Regional Collaboration and Goodwill are at Stake

- San Diego's suite of projects submitted for Round 2 grant funding was forged by an in-depth review process that incorporated input from diverse stakeholder groups – including small non-governmental organizations.

Mr. Wallace

- Extensive outreach, workshops, and trainings were conducted to facilitate project integration – agencies and non-profits have forged lasting relationships through this effort.
- The selection of 7 out of the 36 projects submitted was accomplished with tremendous levels of diverse stakeholder cooperation, collaboration, transparency, and regional goodwill.
- The grant proposal was unanimously supported by San Diego's 34-member Regional Advisory Committee (RAC).
- DWR's election to un-fund half of the monies that are dedicated to the San Diego region can only serve to destabilize the goodwill that the San Diego IRWM program has worked so hard to establish.
- **DWR's interest in preserving "competition" over "integration" is contrary to the letter and intent of IRWM as was established by Proposition 84 and approved by the voters.**

NGOs Are Increasingly Dissatisfied with DWR Bureaucratic Administration of IRWM Program – This Must Be Addressed to Maintain Longevity of IRWM

- San Diego's IRWM Program has invested significant resources in a process that invites all eligible project sponsors to join forces to design and implement projects from an integrated perspective.
- However, non-governmental organizations (NGOs or non-profits) within the San Diego region have expressed that the IRWM program is becoming too volatile, potentially threatening their continued participation.
- Smaller NGO and DAC organizations are experiencing increasingly difficult bureaucratic thresholds to be able to afford to participate in the IRWM Program, as administered by DWR. **The result will be to repel the very groups DWR is trying to attract!**
- DWR's ability to pay invoices and process contractual amendments has elapsed a year in several cases. This is severely disabling the ability of NGOs and DACs to participate in IRWM grants.
- Despite the strong commitment by the San Diego IRWM program to embrace integrated planning – funding decisions like this add to the growing concerns of NGOs about their ability to continue participating.
- DWR's administration of the IRWM Grant Program is in need of significant reform to assure the longevity of integrated regional water management

Thank you for soliciting input from your stakeholders. On behalf of the City of Oceanside and the North San Diego Water Reuse Coalition, I strongly urge you to reconsider the draft award recommendation and the San Diego project scoring based on the feedback I have provided. I would also encourage you to have additional staff review

Mr. Wallace

all the proposals, as it appears that a single individual may be responsible for the project scores. **Serious consideration should be given to funding all proposals at 100% of their proposed allocation rather than funding some projects at 50%, while others are funded at greater than 100% of their original proposed allocation. This would be a much more equitable approach, and won't cause some very worthy projects to not transpire due to lack of funding.** If you have any questions or wish to discuss my concerns, please don't hesitate to contact me via e-mail at cdale@ci.oceanside.ca.us, or telephone (760)435-5827.

Regards,



For

Cari Dale

Water Utilities Director, City of Oceanside

CC: Assemblyman Rocky Chavez, via fax, 916-319-2176
Assemblywoman Shirley Weber, via fax, 916-319-2179
Assemblyman Brian Jones, via fax, 916-319-2171
Assemblywoman Lorena Gonzalez, via fax, 916-319-2180
Senator Mark Wyland, via fax, 916-446-7382
Senator Marty Block, via fax, 916-327-2188
Senator Joel Anderson, via fax, 916-651-4936
Senator Ben Hueso, via fax, 916-651-4940